

**STRÖER**

**"EPIC. WILL BE TALKED ABOUT FOR YEARS"**  
★★★★ **"THE BEST MOVIE THIS YEAR"** ★★★★★  
**"HEART-STOPPING" "A MASTERPIECE"**  
**"ELECTRIFYING. AMONG THE MOST ESSENTIAL  
★★★★★ FILMS OF THE YEAR" ★★★★★**



**DETROIT**  
IN CINEMAS AUGUST 25

THE HURT LOCKER - ZERO DARK THIRTY  
**DETROIT**  
IN CINEMAS AUGUST 25



**IT'S TIME TO STAND UP**

# Ströer SE & Co. KGaA Roadshow | Morgan Stanley

24<sup>th</sup> of October 2017 | Boston

## Two Key Business Approaches with a very different Profile

**LOCAL  
HEROES**



VS



**GLOBAL  
CHAMPIONS**

- Local market specification know-how
- Local execution quality
- Local do-it-for-you solutions with strong local client access

- Global tech-based standardisation
- Global premium content rights
- Global data-supported network effects

**Strong barrier to entry**

**Strong barrier to entry**





**Our business segments have a clear & consistent local hero profile:**

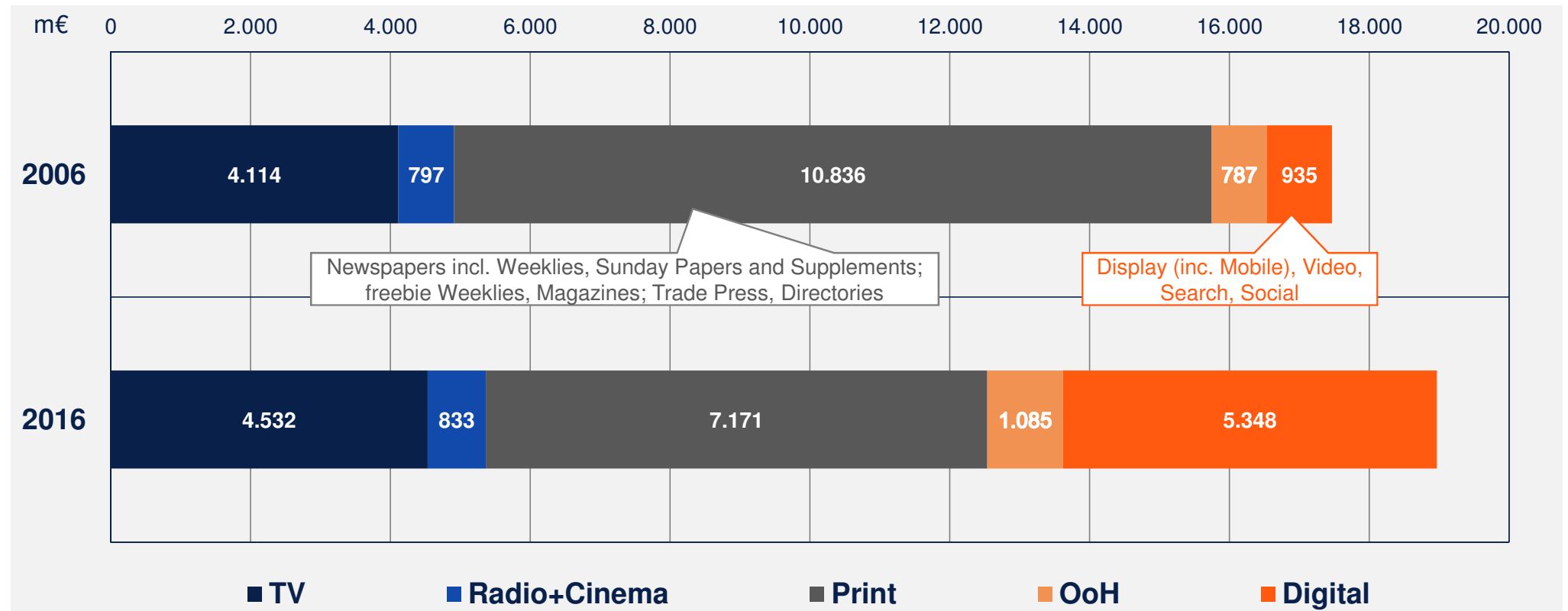
- **Local market know-how is absolutely key**
- **Execution-quality & do-it-for-you focus**
- **Diversified rights portfolio**
- **High market entry barriers**



# Tectonic Changes within the Global Advertising Landscape

## Example: Germany

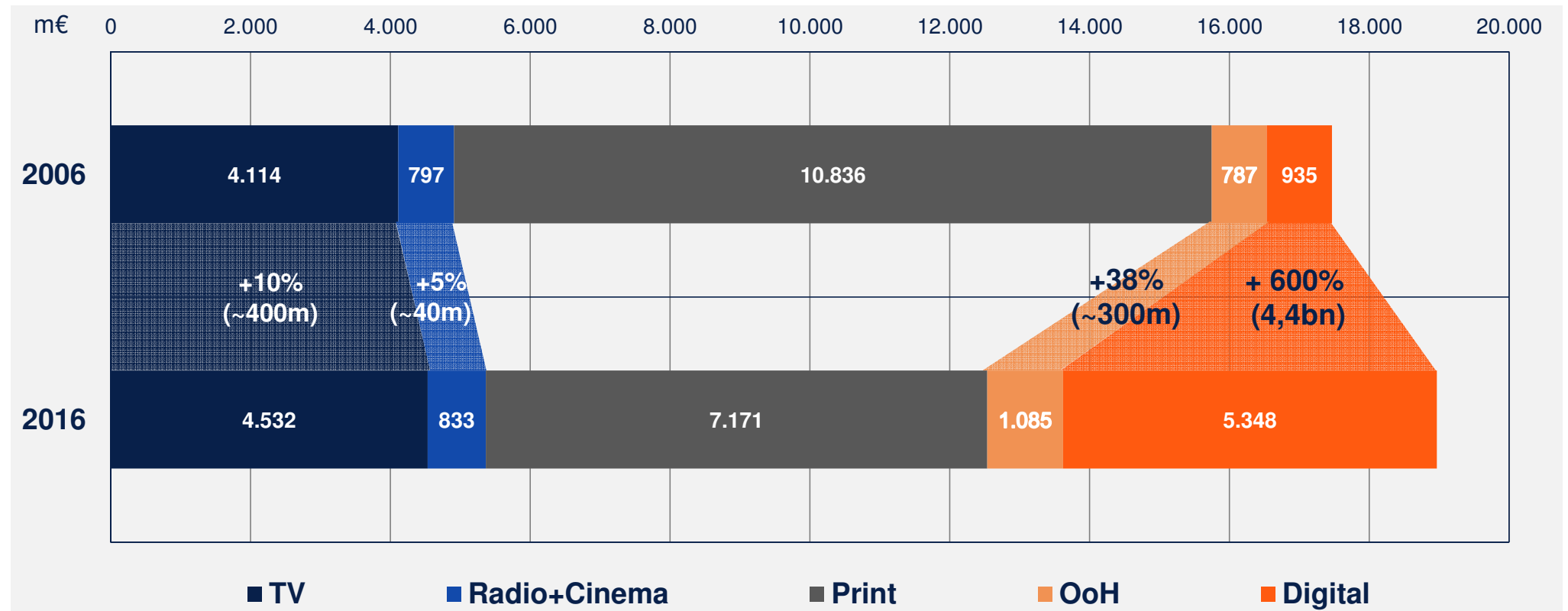
Net Revenues per ATL Medium in m€ - Basis: ZAW Annual Report (incl. projections for 2016)



Sources: ZAW, BVDW/OVK, Statista/ZenithOptimedia, Schickler, PWC

# Tectonic Changes within the German Advertising Landscape

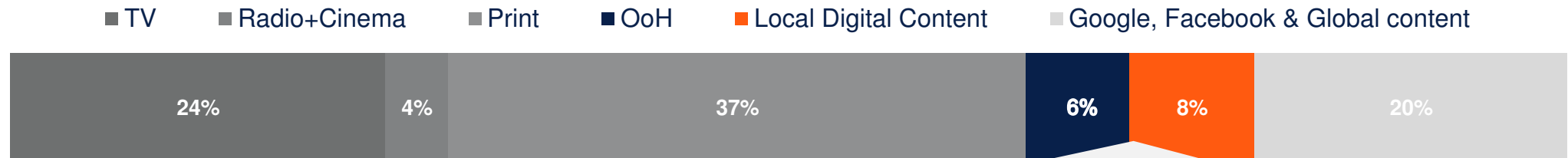
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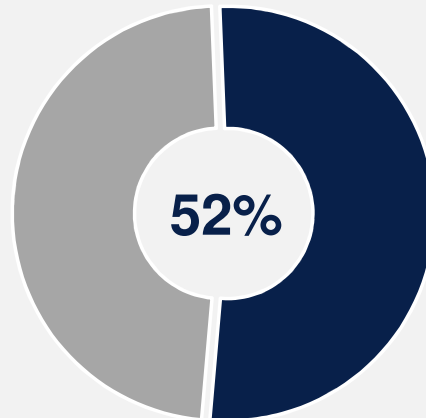
# Successful Execution of our Strategy in Above the Line Media

## Current Market Position of Ströer Group within the two Focus Areas



### OoH: Ströer Market Share\*

more than 90% national coverage: almost impossible to substitute in OoH plans



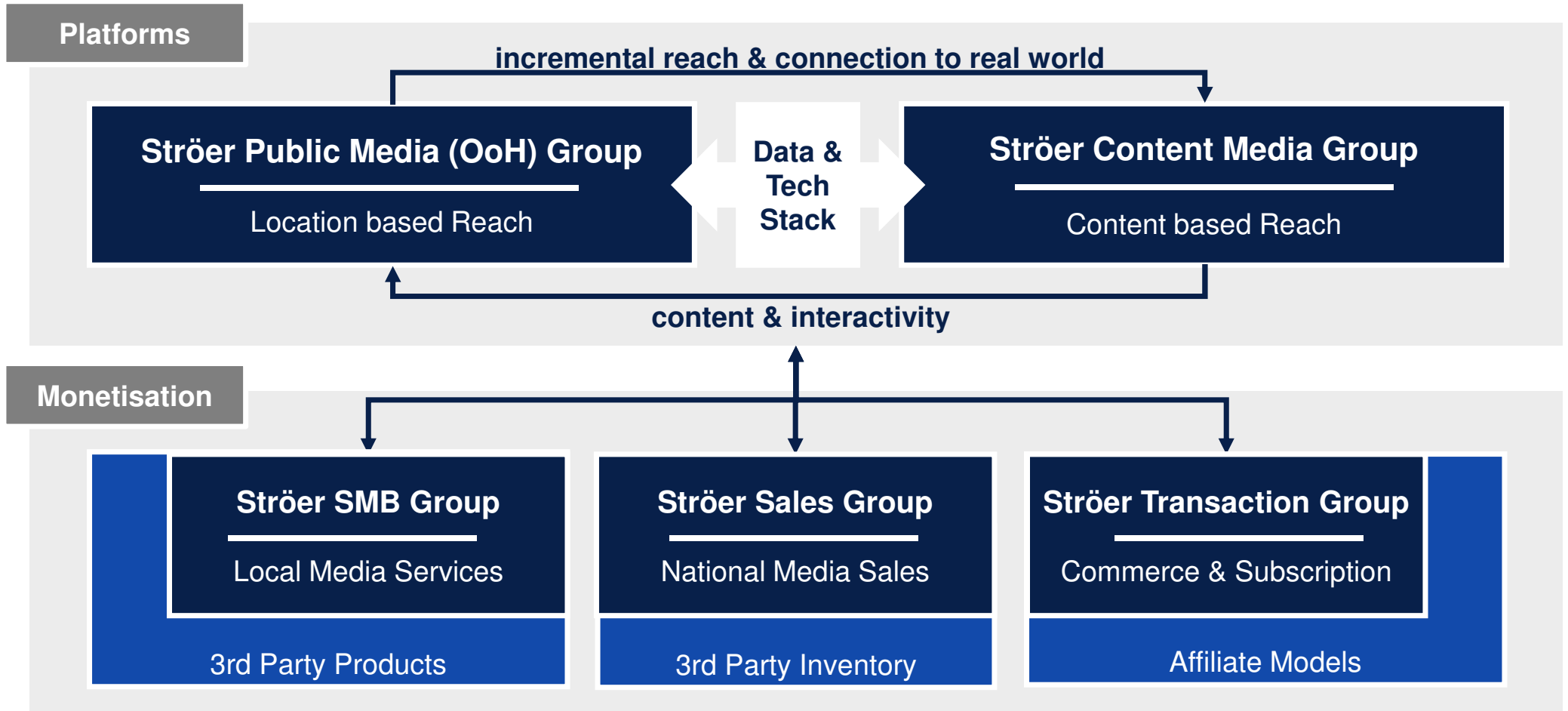
### Local Digital Content: Ströer Market Share\*

more than 80% audience coverage: massive potential for digital plan over-weight!



Sources: ZAW, BVDW/OVK, Statista/ZenithOptimedia, Schickler, PWC  
\*Status Q2/2017

# Ströer Multi-Channel & Integrated Monetisation Ecosystem

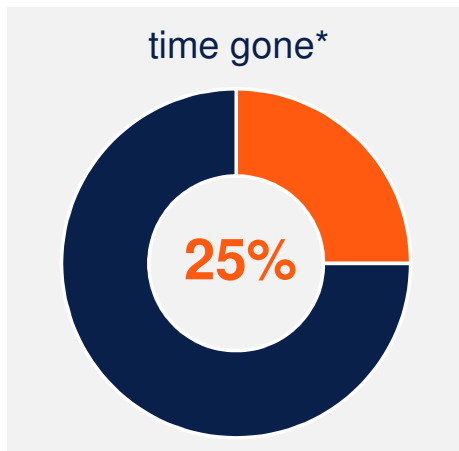


# **Ströer's strategy is addressing market challenges**

- 1. Leveraging the incremental potential of digitisation for OoH**
- 2. Online: consolidation of 1<sup>st</sup> & 3<sup>rd</sup> party inventory + integration at public media reach**
- 3. Do-it-for-you services for SMB only national Sales Force for local ad products**
- 4. Smart and focused digital niches**



# 1 Delivery against our 4 Year Target\* of +1,000 Premium Screens?



Location		May 2016	May 2017	FC Q4/2017
Stations		1,052	+97	+80
Malls		2,137	+198	+80
Public Transport		303	+86	+120
Roadside		7	+119	+80
<b>TOTAL</b>		<b>3,499</b>	<b>+500</b>	<b>+360</b>

\* Announced at the CMD 2016 end of April 2016

## 2 Our Online Consolidation Strategy is constantly evolving

Further Inventory Consolidation in Q1/2017

### 1 January – from Axel Springer: aufeminin Group

e.g.



8.2m UUs, strengthening women and health vertical

### 2 February – from Funke Group: Funke Digital Assets

e.g.



4.9m UUs, strengthening news & local products

### 3 March – from Bauer Group Bauer Xcel Assets

e.g.



14.3 UUs, strengthening women & car vertical

### 4 April – Data Joint Venture with Otto Group Media

Over 60 e-commerce platforms, e.g.

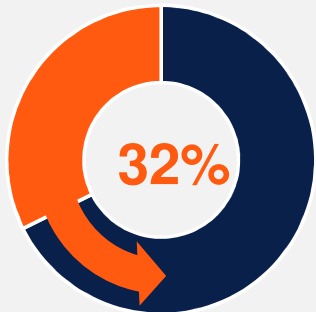


- Combining the largest digital sales house (>45m UUs) and the largest data provider (>25m CRM profiles)
- Kick-off with 10 lifestyle segments in combination with age, gender, shopping habits and price sensitivity
- High impact branding formats in brand safe context („made in Germany“)

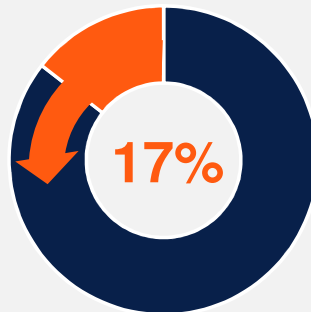
### 3 Our Ad Sales Units accelerate Cross Media Integration



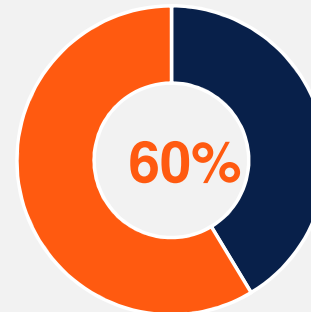
Share of small local clients  
("signage & subscription")  
vs. regional clients  
("campaigns & services")



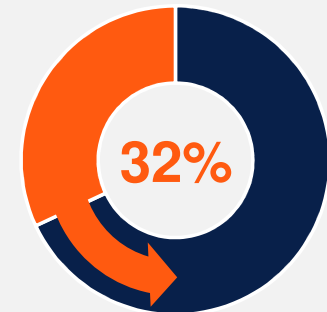
Share of digital services  
and ad revenues vs.  
out-of-home media and  
production revenues



Share of digital services  
and ad revenues vs.  
out-of-home media and  
production revenues



Share of direct client deals  
and relationships vs.  
revenues managed by media  
agencies/intermediates



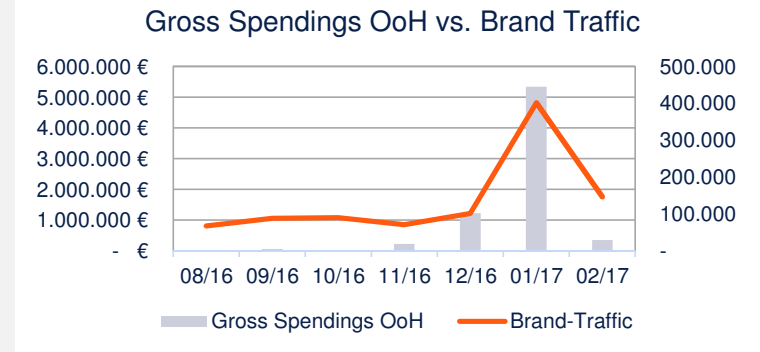


# 4 Marketing Case Bodychange: OoH drives Brand & Direct Traffic

## OoH Campaigns – for Brand & REWE Coop



### Boost for Direct Traffic

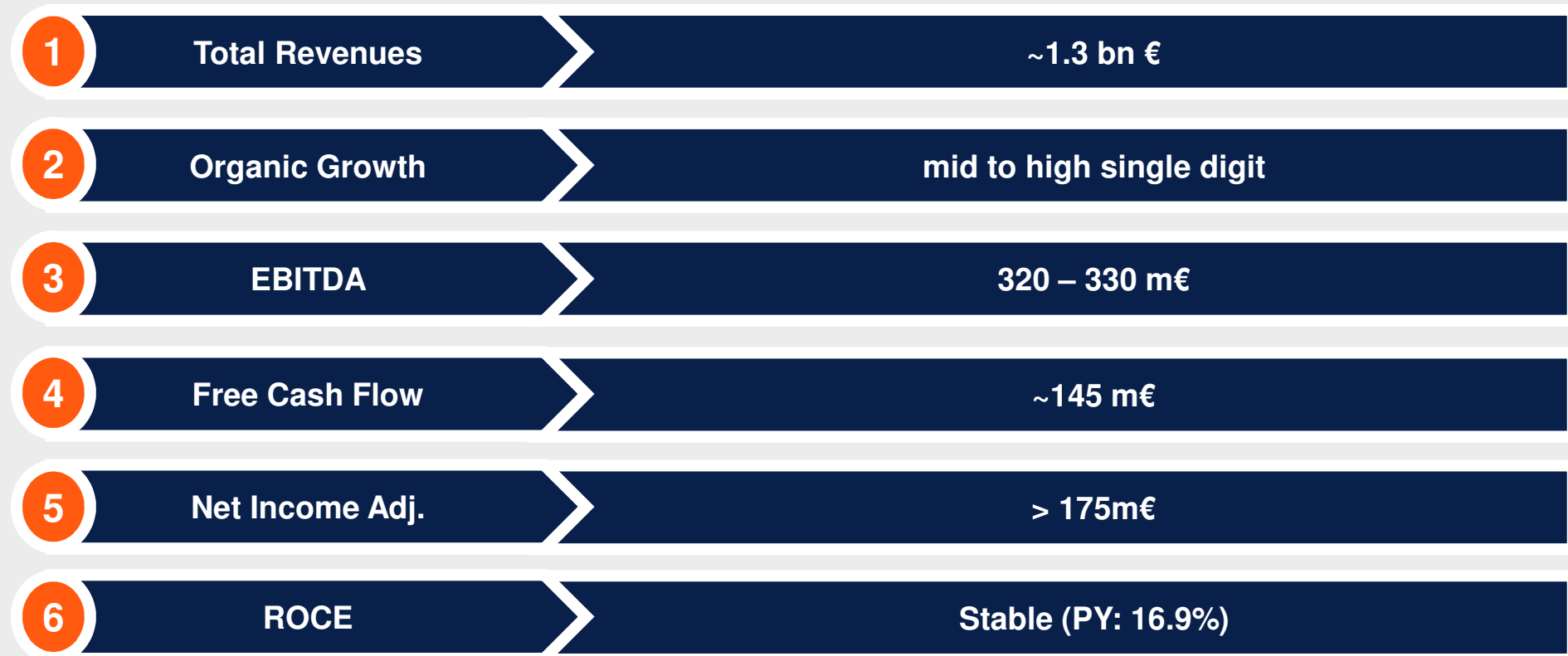


### Multi-Channel Model

- Leveraging group relationship with REWE for roll-out of multi-channel presence; in combination with strong local OoH campaign to push sale
- Co-operation with health insurances regarding health protection: Bodychange as licenced partner allows clients to get subscription funded and subsidized by health insurances
- Network effects between online-/offline media as well as different sales channels

# Our Targets for 2017: Consistent KPIs & Sustainable Performance

## Our Key KPIs and Guidance Statements



# Guidance Achievement Year by Year

EURm	2013			2014			2015			2016			2017E	
	Guidance	Actual		Guidance	Actual		Guidance	Actual		Guidance	Actual		Guidance	Actual
<b>Organic growth</b>	Low single digit	3.5%	✓	>10%	11.4%	✓	High single digit	9.8%	✓	5-10%	7.2%	✓	5-10%	
<b>Operational EBITDA</b>	Moderate increase	118 (+10%)	✓	~145	148	✓	>200	208	✓	>280	285	✓	320 - 330	
<b>Net Income Adj.</b>	Moderate increase	36 (+51%)	✓	>50	56	✓	~100	107	✓	>150	156	✓	>175	
<b>Free cash Flow*</b>	Moderate increase	39	✓	Slight increase	80 (+103%)	✓	~100	116	✓	~135	139	✓	~145	
<b>Return on Capital Employed (ROCE)</b>	Moderate increase	10.3%	✓	>10%	13.8%	✓	Considerable increase	15.4% (+1.6% p.p.)	✓	stable	16.9%	✓	~16.9%	

Source: Company filings, broker research

\* Free Cash Flow before M&A



# Results 6M 2017

€MM		6M 2017	6M 2016	▲
Revenues	Reported <sup>(1)</sup>	597.4	502.3	+19%
	Organic <sup>(2)</sup>	7.6%	8.7%	-1.0%pts
Operational EBITDA		135.9	115.4	+18%
Operational EBITDA margin		22.5%	22.7%	-0.2%pts
EBIT (adjusted) <sup>(3)</sup>		87.2	76.7	+14%
Net income (adjusted) <sup>(4)</sup>		70.1	61.3	+14%
Operating cash flow		80.4	83.4	-4%
Capex <sup>(5)</sup>		60.7	42.7	+42%
		<b>30 June 2017</b>	<b>30 June 2016</b>	
Net Debt <sup>(6)</sup> / Leverage Ratio		418.5 / 1.38	365.2 / 1.49	

(1) According to IFRS 11

(2) Organic growth = excluding exchange rate effects and effects from the (de)consolidation and discontinuation of operations

(3) EBIT adjusted for exceptional items, amortization of acquired advertising concessions and impairment losses on intangible assets (Joint ventures are consolidated proportional)

(4) EBIT (adj.) net of the financial result adjusted for exceptional items and the normalized tax expense (15.8% tax rate in 2016 and 2017)

(5) Cash paid for investments in PPE and intangible assets and cash received for disposals of PPE and intangible assets

## Recap of Q2 Market Dynamics

**1**

**Strong new business development in Out-of-Home – especially with digital companies and e-commerce clients driving incremental revenues**

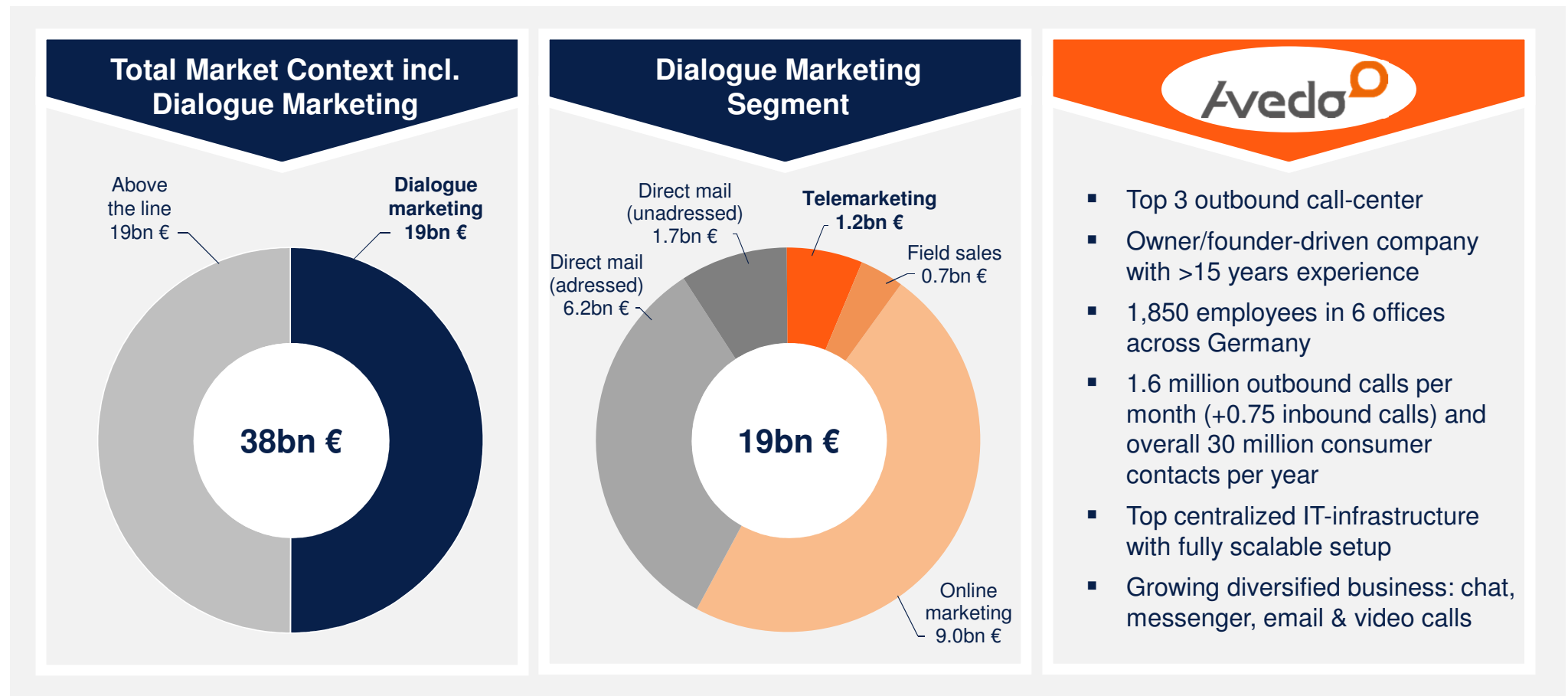
**2**

**Outperforming local online market with integrated concepts and full service packages on 1st and 3rd party inventory (beyond global GAFA standards)**

**3**

**Continuous & on-going regional and local sales growth: leveraging hunter salesforce to drive sustainable business (cross-media)**

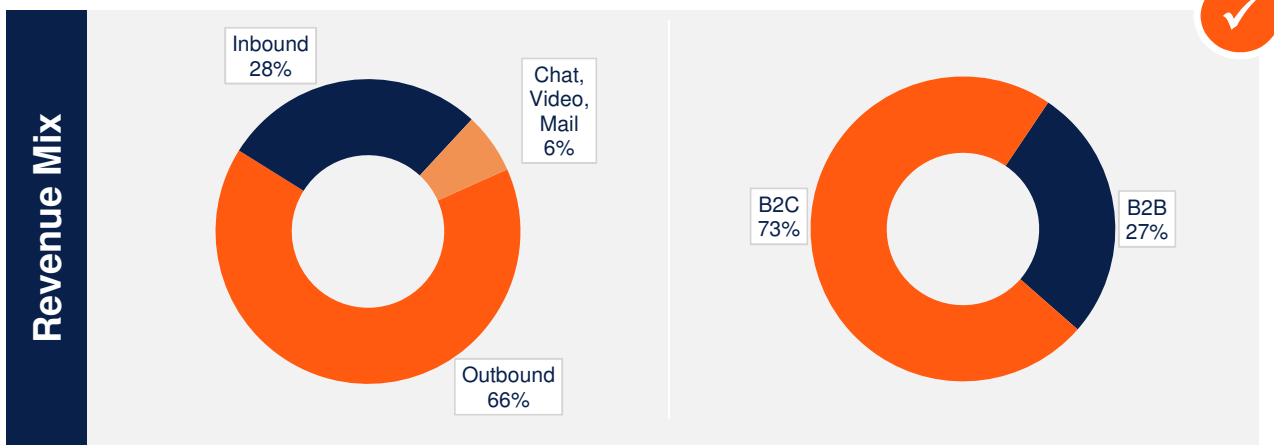
# Acquisition of Avedo Opens Up new Strategic Business Segment



Sources: Total Market - ZAW, PWC, Statista; Dialogue Marketing – Deutsche Post Dialogmonitor, Genesys, Statista.



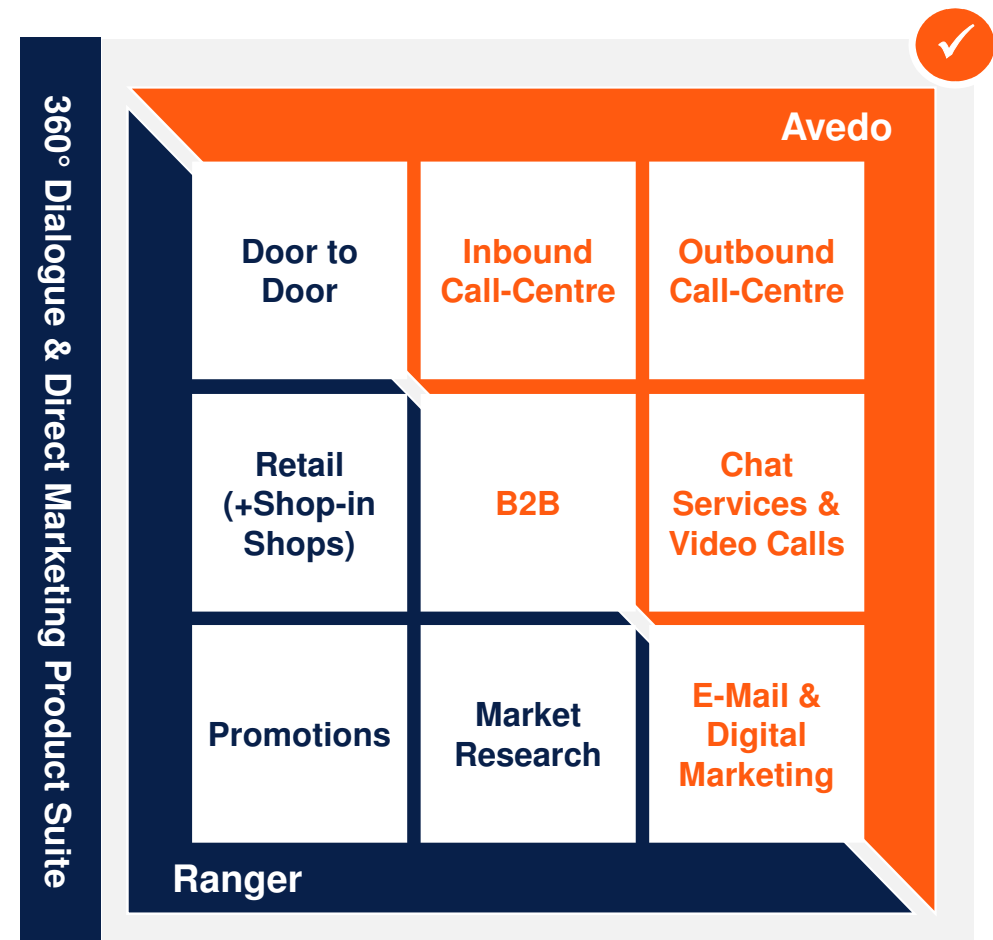
# Avedo: Nucleus for new Dialogue Marketing Platform



# Ranger: Complementing our new Dialogue Marketing Platform

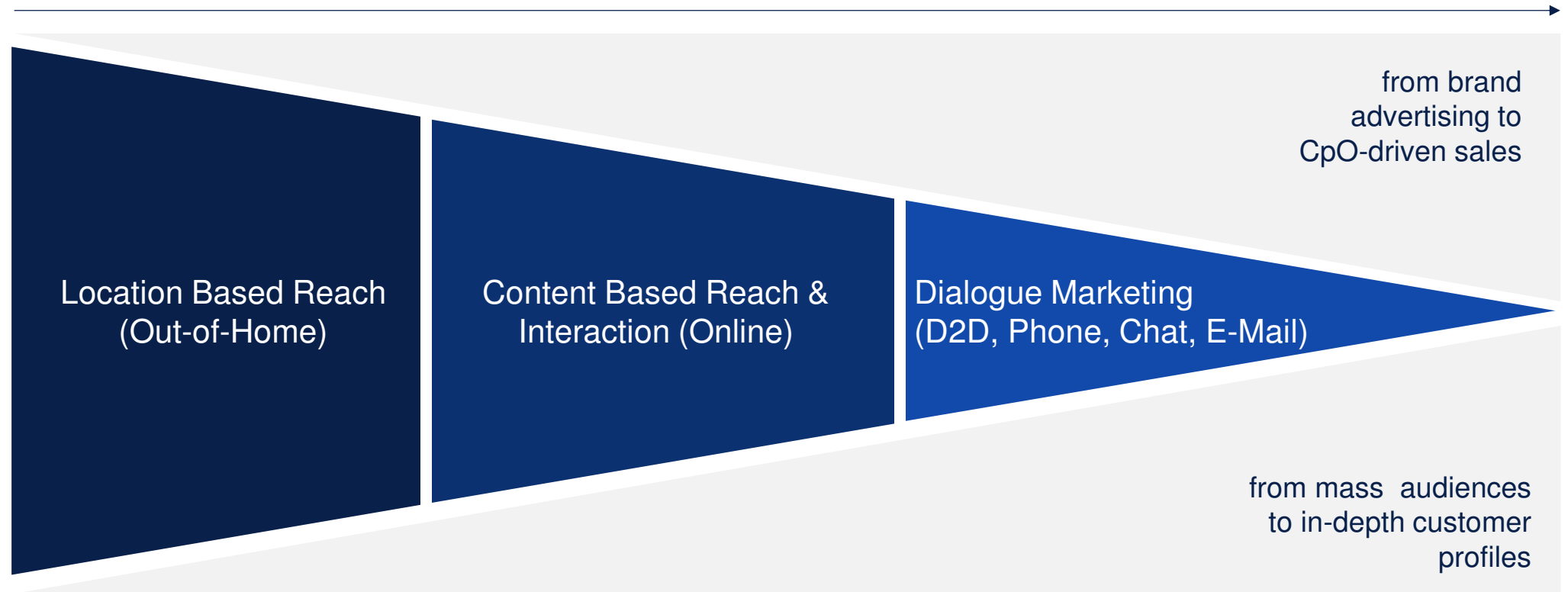
## RANGER

- One of Europe's leading companies for personalized customer services
- Presence via 150 sales offices and more than 1,500 sales employees & regional sales partners
- > 1,000,000 direct customer contacts per month
- > 60,000 contracts signed per month
- > 12,000 telephone contacts per day
- More than 35 customers in different sectors with focus on telecommunications, tv & media, finance & insurance as well as energy
- Specialized team for B2B clients (currently 15% of revenues)
- Substantial synergy potential with both Avedo and Ströer SMB business



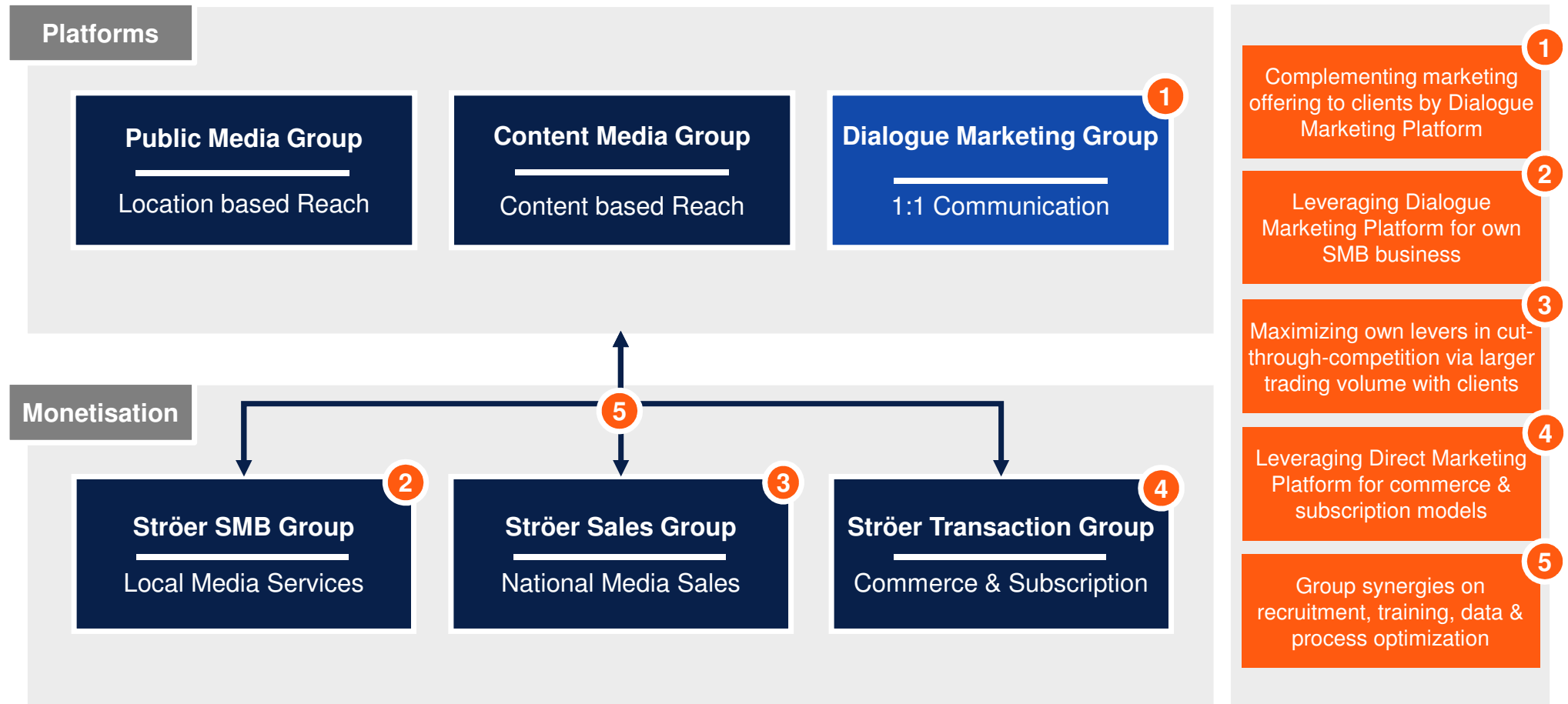
# Leveraging Consumer Access by Ideal Cascade of Communication

Sales Conversion



Data aggregation

# Strong Synergy Potential with Ströer Multi-Channel Ecosystem



# Key Logics Behind the Avedo & Ranger Transactions



**Complementing product range along the full marketing & sales funnel from branding solutions to performance sales**



**Successful platform to broaden and deepen customer access and improve our overall “share of wallet”**



**Expected growth dynamics in dialogue marketing segment due to growing disconnect of brands and consumers via global platform ecosystems**



**Fully consistent with our capabilities and strategic focus on do-it-for-you-solutions and businesses driven by local execution quality**



## Outlook for Q3: Next Quarterly Results November 10

1. **Similar to the development in the first six months: solid & robust business across the entire group with expected growth for Q3 fully in line with annual guidance**
2. **Strong momentum for OoH Germany fueled by both national sales and extended local salesforce activities – similar to HY1**
3. **Digital segment consistently on growth track regarding top line growth, market share development as well as consolidation and integration processes**
4. **OoH International with still challenging macro environment but under control and without substantial group impact**